

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1583
ANSWERED ON 20TH SEPTEMBER, 2020

GST ON MILLED PRODUCTS

**1583. SHRI KURUVA GORANTLA MADHAV:
SHRI CHANDRA SEKHAR BELLANA:
DR. BEESETTI VENKATA SATYAVATHI:
SHRI ADALA PRABHAKARA REDDY:
SHRI MAGUNTA SREENIVASULU REDDY:
DR. SANJEEV KUMAR SINGARI:
SHRI SRIDHAR KOTAGIRI:
SHRI M.V.V. SATYANARAYANA:**

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) the details about the current rate of GST for milled food products as well as agricultural by-product;
- (b) whether the Government has any plan to reduce or remove the GST on these two categories and if so, the details thereof;
- (c) whether the Ministry of Food Processing Industries has submitted any recommendation to the Ministry of Finance for the reduction or removal of GST on milled food products or agricultural by products; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAMESWAR TELI)

- (a) The current rate of Goods and Services Tax (GST) for milled products is 'Nil' for unbranded products and cereal grains hulled and 5% for branded products packed in unit container. Agriculture by-products such as bran, sharps and other residues, whether or not in the form of pellets, derived from the shifting, milling or other working of cereals or of leguminous plants are at 5% while poultry feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran are exempted from GST.
- (b) The GST rates on goods are recommended by the GST Council. At present, the GST Council has not recommended any exemption on milled products, which presently attract GST.
- (c) & (d) Ministry of Food Processing Industries makes preliminary examination of proposals for reduction in GST rates for processed food products and if justified, forwards the same to the Department of Revenue for further action.

The request to exempt GST on branded food products including branding and packed milled food products, which presently attract GST at 5% was placed before the GST Council in its 31st Meeting held on 22nd December 2018 and its 37th meeting held on 20th September 2019 and was not recommended by the GST Council.
